

Shrimp Quality Control Key to Bangladeshi Export Rise

The export of shrimp, primarily to Western Europe and North America, is Bangladesh's number-two currency earner. U.S. assistance is aiming to boost that export through a private sector-led Seal of Quality (SOQ) program that responds to emerging global market standards.

Efforts to expand and diversify Bangladesh's exports have been stymied by underdevelopment and lack of confidence in the quality of its products. The country's frozen food exports fell by 28 percent between 2001 and 2002, down to \$252 million.

Some recent shrimp deliveries fell short of established standards. As a result, the industry, with assistance from the United States, is focusing on eliminating substandard shipments, even though it is costly.

The lesson was learned a few years ago, when Bangladesh garments—the country's top export earner—faced a similar dilemma. Clothing manufacturers were forced to meet international and U.S. labor standards on child labor, but they corrected the problems and kept exports up.

Shrimp exports will soon become even more important to Bangladesh, since the garment industry is expected to decline when the Multi-Fiber Arrangement expires in 2005.

Having experienced a 28 percent drop in export earnings in 2002, shrimp producers and the government are facing up to the need to invest in raising quality, and meeting environmental and labor standards.

USAID and its partners suggested a strategy to privatize quality control. The

Vice President of the Aquaculture Certification Council (ACC), the international body responsible for developing and implementing codes of conduct for the export-oriented shrimp industry, recently visited Bangladesh. He estimated that the country's shrimp industry could increase earnings by more than 20 percent if it met international standards.

The ACC suggested that the Bangladesh private sector set up shrimp testing laboratories to establish international credibility for Bangladesh exports. The council also recommended that Bangladesh improve labor practices, raise quality, adopt environmental management, and institute ethical and fair trade practices. The ACC has added a Bangladeshi member to its board.

The private sector-led SOQ program is working to upgrade the image and marketability of Bangladesh shrimp.

"A privately operated Seal of Quality program alone can save the industry," said SOQ Program Director Dr. Mahmudul Karim.

He added, "The SOQ program also provides for an outside third-party certification system to further ensure that the Bangladeshi shrimp industry strictly adheres to the prescribed codes. Only entrepreneurs who can meet the international codes would be allowed to export."

If the quality problem is successfully addressed, Bangladesh should be able to turn around the drop in earnings, and create additional jobs and export income in the shrimp industry. ★



Under the Seal of Quality program, workers in a frozen food plant in Bangladesh carefully remove black tiger shrimp from ice and pack them into containers for export.